



Uganda's INFF Experience: Engaging National and Local Governments in SDG Financing Strategies

Implemented and supported by: UNDP, UNCDF, UN WOMEN & RCO

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What is the INFF?



- In the recent years, the term ‘Integrated National Financing Framework’ has been used widely in the development discourse. However, the term has come to mean many things to many people. Hence, let us briefly look into what it is?
- **Integrated National Financing Frameworks (INFFs) are a planning and delivery tool to help countries strengthen planning processes and overcome challenges to financing the SDGs at the national level.**
- In 2015, world leaders adopted a new global financing framework for the implementation of SDGs, called as the Addis Ababa Action Agenda (AAAA).
- **At the heart of the AAAA are national development plans and strategies supported by INFFs.**
- National development plans or strategies lay out country’s development needs, priorities, and required cost/investment, while **INFFs spell out how these plans will be financed and implemented**, relying on the full range of public and private financing sources.
- INFF involves a system for M&E for effective use of finance for results
- It also involves an **enabling environment for accountability and dialogue** at both political and technical levels for the use of finance for development results.

INFF is not a one-size-fits-all framework

- **Step 1** - A national development vision/plan with well-articulated set of priorities and results related to the SDG agenda, including costed targets and indicators in short-medium-long term.
- **Step 2** - Establish an oversight mechanism to manage INFF process: aspects will include leadership, coordination and political buy-in at the highest levels of government, as well as dialogue at various levels.
- **Step 3** - INFFs are developed and implemented through four building blocks: **assessment and diagnostics**, **financing strategy**, **monitoring and review**, **governance and coordination**.
- **Step 4** - Each building block represents a critical component in building national capacity to strategically plan and manage the financing actions. Building blocks differ by national context.
- **End Result** - An INFF that reflects the unique capacities, priorities, vulnerabilities and strengths of each country.



Financing Strategy is the heart of the INFF process



- Financing strategy will have to be an **integrated, comprehensive and coherent** one - to link national development plans and results with sources of finance
- The financing strategy must be supported by **financing policies for specific finance flows: domestic public, international public, domestic private, international private.**
- Financing strategy will
 - **present domestic financial intermediation to mobilize savings, introduce innovative instruments, and provide adequate incentives and capacities to banks to lend to SMEs sectors; and**
 - **explore the use of innovative mechanisms for reducing risks, such as loan guarantees, or developing bond markets to mobilize resources from the global capital markets.**

UN Joint Programme on INFF



- UNDP, in its role as the integrator for UN Development work on SDGs, led design of the UN Joint Programme on INFF with UNWOMEN and UNICEF under RCO overall coordination.
- Though the JP cover only 2 years with budget of about USD \$2 million, UN is expected to support over the next 5 years. UN already mobilized ~ USD \$1 million from the SDG Fund.

The key objective of the Joint Programme is to support Government of Uganda's in the following areas:

- Aligning planning, policies and financing
- Ensuring effective public finance management
- Support to preparation of integrated and comprehensive financing strategy
- Monitoring, review and enhancing accountability mechanisms
- Support to improving governance and coordination mechanisms



INFF Results already achieved in Uganda so far



Development Plan

- The National Development Plan III (NDPIII) (2020/21-2024/25) is the overarching Government plan which fully integrate the SDGs with the medium-term development priorities and implementation strategies through the Programme Approach..
- The 18 NDPIII programmes need to be financed and the overall cost for 5 years has significantly increased: UGX 342.6 trillion, representing a 74% increase from NDP-2 costing (196.7 trillion). The share of public finance is about 62.4%.

Assessment & Diagnostics

- Uganda developed a comprehensive Public Finance Management (PFM) Reform Strategy (2018-2023) with aim to enhance systems for resource mobilization. Uganda has also developed a Domestic Revenue Mobilization Strategy (2019/20-2023/24) to bring more transparency on tax policy as well as to strengthen tax administration.
- In 2019, with support from UNDP, Uganda prepared DFA to identify opportunities to mobilize additional sources of finance and use existing financial resources more efficiently to achieve the SDGs.

Financing strategy

- Public investment Strategy prepared. It is more like Financing strategy version 1.0. In the coming months, this will be expanded into a more integrated and comprehensive financing strategy – version 2.0.



Ongoing UNDP support to INFF development

- Providing a platform for strategic consultations – e.g., Development Dialogue (Breakfast Series) focusing on INFF strategic themes – green, digital and risk financing etc;
- Supporting the development of Programme Implementation Action Plans (PIAPs) for NDP-3 both at the national and local levels;
- Supporting the Certificate of Compliance (CoC) process, which assess alignment of development planning, policies and budgeting frameworks both at the national and local levels.
- Providing technical support to Programme Working Groups (PWGs) to build capacity at the MDAs and LGs to develop their strategic plans in alignment with the PIAPs;
- Supporting the National SDGs Secretariat at the OPM to improve overall coordination and UBOS on the SDGs monitoring and reporting.
- Supporting SDGs investors mapping study that highlights key intersections between development needs, policy priorities, and investor interest.
- Supporting Uganda within the broader “Tax Inspectors without Borders initiative”
- Supporting the GoU in the preparation of Public Investment Financing Strategy



Ongoing UNWOMEN support to INFF development

- Providing platforms for strategic consultations on gender equality– e.g., Annual Gender Statistics Forum (AGSF); Annual Gender Responsive Budgeting Awards.
- Supporting UBOS in the development and implementation of the Plan for National Statistical Development (PNSD III) as well as for production and use of better gender statistics.
- Supporting prioritization of gender equality in the NDP III implementation.
- Support capacity building of MDAs and HLGs in Gender responsive Planning and Budgeting.
- Supporting the MoFPED and Equal Opportunities Commission to track annual allocations and expenditures on Gender Equality and Women Empowerment through institutionalising and reviewing of the Uganda Public Finance Management Act 2015.

Ongoing UNCDF support to INFF development



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- Support LGs in improving taxpayer data base through creation of electronic database
- Supporting digitalization of LGs' Integrated Revenue Administration System.
- Support to LGs in developing bankable economic infrastructure projects.
- Support to subnational in Capital Investment Planning.
- Engaging with national financial institutions on the need and readiness of LG to tap into private capital.
- Working with LG associations towards legal and regulatory reforms to enable LGs better access to innovative financing.



INFF Activities Ahead



- Strengthening partnership with IFIs (IMF, WB, IDBs, AfDB), EU, GiZ, Stanbic bank, Equity Bank, Uganda Development Bank, etc.
- Establishing an Oversight INFF Committee or Technical Working Group to improve coherence among MDAs, LG, development partners and the private sector.
- Preparation of comprehensive and integrated SDGs Financing strategy.
- Leveraging innovative financing instruments such as digital, risk & insurance and blended financing through their ecosystem assessment and sectoral financing strategies.
- Leveraging Green Financing facility for Green Recovery through various ways
- Support to build the institutional capacity of key stakeholders for enhance mobilization of additional public and private resources; and
- Support monitoring and oversight systems to track implementation of the NDP-3/ SDGs.

